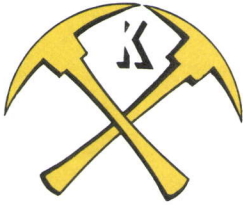


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KELMINE CORP.

~~4901 YORK STREET • P.O. BOX 16043 • DENVER, COLORADO 80216 • PHONE 303/297-0117~~

11930 W. 44th Ave., Suite 200, Wheat Ridge, CO 80033 (303) 467-0117

July 25, 1986

RECEIVED
JUL 28 1986

Ms. Pamela Grubaugh-Littig
Reclamation Engineer
State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

DIVISION OF
OIL, GAS & MINING

Dear Ms. Grubaugh-Littig:

Re: Collateral Bonding and Indemnity Agreement, Lisbon
Valley Copper Mine, ACT/037/032, San Juan County, Utah

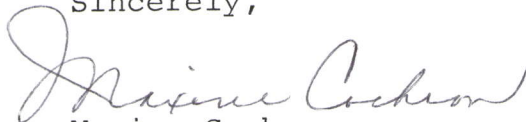
Please find enclosed the two signed copies of the above referenced agreement that we received in the mail today.

Attached to each is an Exhibit A giving the description of the area to be disturbed.

I trust that you will have these in hand by July 29 as you requested.

If there is anything else you need please do not hesitate to contact me.

Sincerely,


Maxine Cochran
Treasurer

mc